

DAVIS CITIZENS' COALITION AGAINST VIOLENCE

(A NON-PROFIT ORGANIZATION)

CONSOLIDATED FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2011 AND 2010

DAVIS CITIZENS' COALITION AGAINST VIOLENCE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Davis Citizens' Coalition Against Violence

We have audited the accompanying consolidated statements of financial position of **Davis Citizens' Coalition Against Violence** (a nonprofit organization) and subsidiary as of June 30, 2011 and 2010 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **Davis Citizens' Coalition Against Violence** and its subsidiary as of June 30, 2011 and 2010, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011 on our consideration of **Davis Citizens' Coalition Against Violence's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sorensen, Vance & Company, P.C.

Salt Lake City, Utah
December 8, 2011

**DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents, current use	\$ 176,366	\$ 138,119
Government grants receivable	76,032	91,307
Contributions receivable	102,532	98,724
Gift card inventory	1,438	1,120
Cash and cash equivalents restricted to long-term use	82,400	80,000
Land, buildings and equipment, at cost, less accumulated depreciation of \$592,428 and \$544,854 in 2011 and 2010, respectively	<u>2,045,327</u>	<u>2,102,657</u>
Total Assets	<u>\$ 2,484,095</u>	<u>\$ 2,511,927</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 7,334	\$ 7,165
Accrued payroll and related liabilities	36,245	25,066
Other current liabilities	<u>3,500</u>	<u>2,250</u>
Total liabilities	<u>47,079</u>	<u>34,481</u>
Net Assets:		
Unrestricted	1,852,084	1,898,722
Temporarily restricted	<u>584,932</u>	<u>578,724</u>
Total net assets	<u>2,437,016</u>	<u>2,477,446</u>
Total Liabilities and Net Assets	<u>\$ 2,484,095</u>	<u>\$ 2,511,927</u>

The accompanying notes are an integral
part of the consolidated financial statements.

**DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Changes in Unrestricted Net Assets:		
Revenues, Gains and Other Support		
Private and community support	\$ 95,429	\$ 85,524
Government grants:		
Federal	405,220	392,555
State and other	79,221	90,624
Special events, net of direct costs of \$24,063 and \$21,788 for 2011 and 2010, respectively	87,394	78,863
Rent revenue	24,359	20,590
Other revenues	1,250	1,260
Interest income	246	473
(Loss) on disposition of assets	<u>(671)</u>	<u>--</u>
Total unrestricted revenues and gains	692,448	669,889
Net assets released from restriction (note 7):		
Satisfaction of program and time restrictions	<u>112,324</u>	<u>107,211</u>
Total unrestricted revenues, gains and other support	<u>804,772</u>	<u>777,100</u>
Expenses		
Program Services		
Victim advocacy – transitional housing	116,508	126,246
Victim advocacy – shelter	483,736	471,185
Victim advocacy – protective orders	<u>108,089</u>	<u>112,097</u>
Total program services	<u>708,333</u>	<u>709,528</u>
Supporting Services		
Management and general	113,546	102,756
Fundraising	<u>29,531</u>	<u>34,980</u>
Total supporting services	<u>143,077</u>	<u>137,736</u>
Total expenses	<u>851,410</u>	<u>847,264</u>
(Decrease) in unrestricted net assets	<u>(46,638)</u>	<u>(70,164)</u>

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The accompanying notes are an integral
part of the consolidated financial statements.

**DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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	<u>2011</u>	<u>2010</u>
Changes in Temporarily Restricted Net Assets:		
Revenues and Support		
Private and community support	<u>118,532</u>	<u>100,424</u>
Net assets released from restriction (note 7):		
Satisfaction of program and time restrictions	<u>(112,324)</u>	<u>(107,211)</u>
Increase (decrease) in temporarily restricted net assets	<u>6,208</u>	<u>(6,787)</u>
(Decrease) in net assets	<u>(40,430)</u>	<u>(76,951)</u>
Net assets, beginning of year	<u>2,477,446</u>	<u>2,554,397</u>
Net assets, end of year	<u>\$ 2,437,016</u>	<u>\$ 2,477,446</u>

The accompanying notes are an integral
part of the consolidated financial statements.

DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	PROGRAM SERVICES			SUPPORTING SERVICES			Total Program and Supporting Services Expenses
	Victim Advocacy - Transitional Housing	Victim Advocacy - Shelter	Victim Advocacy - Protective Order	Management and General	Fund Raising	Total	
Salaries and wages	\$ 66,336	\$ 301,796	\$ 71,551	\$ 65,241	\$ 16,584	\$ 81,825	\$ 521,508
Payroll tax	5,620	25,569	6,062	5,527	1,405	6,932	44,183
Employee benefits	9,271	42,181	10,000	9,118	2,318	11,436	72,888
Victims expense	595	30,126	547	--	--	--	31,268
Building maintenance	13,781	14,383	3,410	1,576	401	1,977	33,551
Depreciation	8,155	37,100	8,796	8,020	2,039	10,059	64,110
Telephone	1,806	8,218	1,948	1,777	452	2,229	14,201
Utilities	7,474	8,509	2,017	932	237	1,169	19,169
Supplies	204	1,016	241	220	2,617	2,837	4,298
Equipment repairs and maintenance	452	2,038	483	441	112	553	3,526
Professional Fees	--	--	--	17,928	--	17,928	17,928
Licenses and development	744	3,383	802	731	186	917	5,846
Printing	1,039	4,726	1,120	1,022	--	1,022	7,907
Miscellaneous	290	1,319	313	285	2,995	3,280	5,202
Travel	741	3,372	799	728	185	913	5,825
Total expenses	\$ 116,508	\$ 483,736	\$ 108,089	\$ 113,546	\$ 29,531	\$ 143,077	\$ 851,410

The accompanying notes are an integral part of the consolidated financial statements.

DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	PROGRAM SERVICES			SUPPORTING SERVICES			Total Program and Supporting Services Expenses
	Victim Advocacy - Transitional Housing	Victim Advocacy - Shelter	Victim Advocacy - Protective Order	Management and General	Fund Raising	Total	
Salaries and wages	\$ 75,853	\$ 303,838	\$ 76,920	\$ 54,782	\$ 22,031	\$ 76,813	\$ 533,424
Payroll tax	6,132	24,562	6,218	4,428	1,781	6,209	43,121
Employee benefits	8,478	33,961	8,598	6,124	2,462	8,586	59,623
Victims expense	980	22,265	555	--	--	--	23,800
Building maintenance	12,541	19,569	1,151	1,611	691	2,302	35,563
Depreciation	9,078	36,362	9,205	6,556	2,637	9,193	63,838
Telephone	2,272	9,099	2,304	1,639	660	2,299	15,974
Utilities	8,073	8,395	2,125	1,514	609	2,123	20,716
Supplies	895	4,233	2,768	764	953	1,717	9,613
Equipment repairs and maintenance	194	1,893	479	342	137	479	3,045
Accounting	--	--	--	23,733	--	23,733	23,733
Licenses and development	720	2,884	730	521	209	730	5,064
Printing	25	99	25	17	172	189	338
Miscellaneous	198	794	201	143	2,404	2,547	3,740
Travel	807	3,231	818	582	234	816	5,672
Total expenses	\$ 126,246	\$ 471,185	\$ 112,097	\$ 102,756	\$ 34,980	\$ 137,736	\$ 847,264

The accompanying notes are an integral part of the consolidated financial statements.

**DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (40,430)	\$ (76,951)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	64,109	63,838
Contributions restricted to investment in equipment	(10,000)	--
Contributed property	--	(2,500)
Loss on disposition of equipment	671	--
(Increase) decrease in assets:		
Government receivables	15,275	27,558
Contributions receivable	(3,808)	6,787
Gift card inventory	(318)	100
Increase (decrease) in liabilities:		
Accounts payable	169	4,845
Accrued payroll and related liabilities	11,179	(15,552)
Other current liabilities	<u>1,250</u>	<u>(958)</u>
Net cash provided by operating activities	<u>38,097</u>	<u>7,167</u>
Cash Flows From Investing Activities:		
Purchase of equipment	<u>(7,450)</u>	<u>(13,869)</u>
Net cash (used in) investing activities	<u>(7,450)</u>	<u>(13,869)</u>
Cash Flows From Financing Activities:		
Contributions restricted to investment in equipment	<u>10,000</u>	<u>--</u>
Net cash provided by financing activities	<u>10,000</u>	<u>--</u>
Net increase (decrease) in cash and cash equivalents	40,647	(6,702)
Cash and cash equivalents, beginning of year	<u>218,119</u>	<u>224,821</u>
Cash and cash equivalents, end of year	<u>\$ 258,766</u>	<u>\$ 218,119</u>
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents, current use	\$ 176,366	\$ 138,119
Cash and cash equivalents restricted to long-term use	<u>82,400</u>	<u>80,000</u>
Cash and cash equivalents, end of year	<u>\$ 258,766</u>	<u>\$ 218,119</u>

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The accompanying notes are an integral
part of the consolidated financial statements.

**DAVIS CITIZENS' COALITION AGAINST VIOLENCE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

Continued from prior page -

Supplemental Disclosure of Cash Flow Information:

Non-cash transactions

During the year ended June 30, 2011, the Coalition received contributed supplies and legal services, valued at \$10,490 and \$6,000, respectively.

During the year ended June 30, 2010, the Coalition received contributed supplies and labor, valued at \$2,500, for building improvements.

The accompanying notes are an integral
part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**DAVIS CITIZENS' COALITION AGAINST VIOLENCE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

1. SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Davis Citizens' Coalition Against Violence (the Coalition) was established in 1994 as a Utah non-profit organization for the purpose of constructing and maintaining a shelter where victims of domestic violence can go for safety and counseling, and to establish a program for the advocacy of victims of domestic violence.

In 2004, the Coalition established and became a member with a 100% interest in Safe Harbor Transitional Housing, LLC, a newly organized limited liability company (LLC). The purpose of the LLC is to provide a transitional housing complex for victims of domestic violence. The transitional housing is a long-term option to provide the safety and security necessary to help rebuild the lives of women and children after leaving abusive relationships.

The Coalition is supported primarily through government grants and public contributions.

B. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts and operations of Davis Citizens' Coalition Against Violence and Safe Harbor Transitional Housing, LLC (a wholly-owned subsidiary). All material inter-company accounts and transactions have been eliminated.

Preparation of Financial Statements

The consolidated financial statements have been stated on the accrual basis of accounting and in conformity with generally accepted accounting principles and financial reporting standards applicable to non-profit organizations. The Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Coalition is required to present a statement of cash flows.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, checking and savings accounts and highly liquid investments with original maturities of three months or less.

Land, Buildings and Equipment

The Coalition generally capitalizes all expenditures for land, buildings and equipment which have a cost of \$1,000 or more and an estimated useful life of at least one year. Significant replacements and betterments are also capitalized. The costs of maintenance and repairs are charged to expense when incurred.

Land, buildings and equipment are recorded at cost or, if received as contributions, at their estimated fair value as of the date of contribution.

Depreciation is provided using the straight-line method based on estimated useful lives of 5 to 7 years for furniture and equipment and 40 years for buildings and improvements.

Notes to Consolidated Financial Statements - continued

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of activities.

Contributions

Grants and other contributions of cash and other assets received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as amounts released from restrictions. The Coalition had no permanently restricted net assets as of June 30, 2011 and 2010.

The Coalition reports gifts of long-lived assets as unrestricted support unless explicit donor stipulations specify how the donated long-lived assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management periodically reviews unconditional promises to give and has determined that all amounts are collectible. Accordingly, no allowance for uncollectible contributions receivable is considered necessary as of June 30, 2011 and 2010.

Contributed Supplies and Services

Contributed supplies are valued at their estimated fair value as of the date of contribution. The Coalition received contributed supplies of \$10,490 and \$2,500 during the years ended June 30, 2011 and 2010, respectively.

Contributions of services are recognized in the consolidated financial statements if the services received (a) create or enhance nonfinancial assets; or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Legal services valued at \$6,000 were provided to the Coalition during the year ended June 30, 2011. These services are included in the consolidated financial statements as support and management and general expenses. No such services were contributed during the year ended June 30, 2010.

The Coalition receives a significant amount of contributed services from unpaid volunteers. No amounts have been recognized in the accompanying consolidated statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

Notes to Consolidated Financial Statements - continued

Revenue Recognition

The Coalition recognizes revenue from federal, state and local grants when earned. Grant amounts received by the Coalition through cost reimbursement contracts are deemed to be earned and are reported as unrestricted revenues when the Coalition has incurred expenditures in compliance with contract requirements.

Income Taxes

As a non-profit organization, the Coalition claims exemption from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and the provisions of the Utah State Corporation Franchise Tax Act. There was no unrelated business income during the years ended June 30, 2011 and 2010.

Functional Allocation of Expenses

The costs of providing the Coalition's various programs and supporting services have been summarized on a functional basis. Accordingly, costs and expenses have been charged directly to the benefiting program or service based on specific identification. Indirect costs have been allocated based upon personnel compensation to equitably distribute such expenses to the benefiting program or supporting service category.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions regarding depreciation, functional expense allocation and other matters that effect certain reported amounts and disclosures in the consolidated financial statements. Accordingly, actual results could differ from those estimates.

Reclassification

Certain data for the year ended June 30, 2010 have been reclassified to conform with the June 30, 2011 presentation.

2. CASH AND CASH EQUIVALENTS

The Coalition maintains all of its cash and cash equivalents at one financial institution. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institution exceeded the federally insured limits by \$12,611 as of June 30, 2011. Cash was within the Federally insured limits as of June 30, 2010. The Coalition has not experienced any losses and does not believe it is exposed to significant risk for cash and cash equivalents. The balances of cash and cash equivalents consisted of the following as of June 30, 2011 and 2010:

	<u>Interest Rate</u>	<u>2011</u>	<u>2010</u>
Checking, debit, payroll and cash on hand	N/A	\$ 122,901	\$ 107,757
Savings – transitional housing	Variable	<u>135,865</u>	<u>110,362</u>
Total cash and cash equivalents		<u>\$ 258,766</u>	<u>\$ 218,119</u>

Notes to Consolidated Financial Statements - continued

Liquidity:	<u>2011</u>	<u>2010</u>
Cash and cash equivalents, current use	\$ 176,366	\$ 138,119
Cash and cash equivalents, restricted for long-term use	<u>82,400</u>	<u>80,000</u>
Total cash and cash equivalents	<u>\$ 258,766</u>	<u>\$ 218,119</u>

Cash and cash equivalents restricted for long-term use include a temporarily restricted contribution of \$80,000 which was received during the year ended June 30, 2007 and is restricted for new construction (see note 7). The remaining \$2,400 was received during the year ended June 30, 2011 and is restricted to investment in equipment.

3. GOVERNMENT GRANTS RECEIVABLE

Government grants receivable consists of amounts due from various governmental agencies for costs incurred under cost-reimbursement grants/contracts. Government grants receivable totaled \$76,032 and \$90,307 for years ended June 30, 2011 and 2010, respectively.

All receivables are expected to be collected in the next fiscal year. However, any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Coalition with the terms of the grants/contracts.

4. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are expected to be realized in one year or less and are classified as temporarily restricted net assets in the statement of activities. Unconditional promises to give consist of the following as of June 30, 2011 and 2010, respectively:

	<u>2011</u>	<u>2010</u>
United Way (see note 7)	\$ 102,532	\$ 93,724
Private contribution for subsequent year (see note 7)	<u>--</u>	<u>5,000</u>
Total contributions receivable	<u>\$ 102,532</u>	<u>\$ 98,724</u>

The amount due from United Way consists of the following:

	<u>2011</u>	<u>2010</u>
Allocation for the next fiscal year		
General allocation	\$ 85,000	\$ 82,949
Donor designations/pledges	<u>17,532</u>	<u>10,775</u>
Total due from United Way	<u>\$ 102,532</u>	<u>\$ 93,724</u>

Although donor designations/pledges to the United Way may vary, differences between the amounts allocated and collected from United Way have historically been insignificant. Accordingly, no provision has been made for uncollectible amounts.

Notes to Consolidated Financial Statements - continued

5. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment and the related accumulated depreciation are summarized as follows:

	June 30, 2010	Net Change During Year	June 30, 2011
Land	\$ 194,431	\$ --	\$ 194,431
Land improvements	15,629	--	15,629
Buildings and improvements (see note 6)	2,366,115	(798)	2,365,317
Furniture, fixtures and equipment	71,336	(8,958)	62,378
Total land, buildings and equipment	2,647,511	(9,756)	2,637,755
Less: accumulated depreciation	(544,854)	(47,574)	(592,428)
Net land, buildings and equipment	\$ 2,102,657	\$ (57,330)	\$ 2,045,327

Depreciation expense totaled \$64,109 and \$63,838 for the years ended June 30, 2011 and 2010, respectively.

6. CONTINGENCY

In December 2004, the Coalition completed construction of a transitional housing complex for victims of domestic violence. The housing was funded from various sources, including \$400,000 provided by the U.S. Department of Housing and Urban Development (HUD) under its Supportive Housing Program. Pursuant to a restrictive covenant agreement, the Coalition shall operate the transitional housing project and related supportive services for a period of twenty (20) years commencing from the date of initial occupancy. If the project ceases to be used as supportive housing within ten (10) years after the project is placed in service, the Coalition is obligated to repay HUD one hundred percent (100%) of any assistance received for acquisition, rehabilitation and new construction under the agreement. If the project is used as supportive housing for more than ten (10) years, HUD shall reduce the percentage of the amount required to be repaid by ten (10) percentage points for each year in excess of ten (10) that the project is used as supportive housing.

Management continues to believe that the possibility that repayment will occur is remote and that treatment of the construction funds as a contribution is appropriate. Accordingly, management has recorded the funds as a temporarily restricted contribution that will be released from restriction according to the terms of the above restrictive time agreement. As of June 30, 2011 and 2010, \$400,000 was reflected as temporarily restricted net assets (see note 7) and no amount was released from restriction.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets is comprised of the following as of June 30, 2011 and 2010:

	2011	2010
Transitional housing building (see note 6)	\$ 400,000	\$ 400,000
United Way (see note 4)	102,532	93,724
Private contribution for new construction (see note 2)	80,000	80,000
Private contribution restricted to investment in equipment (see note 2)	2,400	5,000
Total temporarily restricted net assets	\$ 584,932	\$ 578,724

Notes to Consolidated Financial Statements – continued

Net assets of \$112,324 and \$107,211 were released from restriction during the years ended June 30, 2011 and 2010, respectively, by meeting time restrictions and/or incurring expenses satisfying the restricted purposes for the Coalition.

8. LEASE AGREEMENT

In August 2010, the Coalition entered into an operating lease agreement for office equipment. The lease has a term of 48 months and calls for monthly payments of \$549. Rent expense under this agreement was \$6,039 for the year ended June 30, 2011.

Future minimum lease payments under the agreement are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 6,588
2013	6,588
2014	6,588
2015	<u>549</u>
Total	<u>\$ 20,313</u>

9. RELATED PARTY TRANSACTIONS

The Coalition has all its bank accounts with a financial institution of which a board member is an employee. In addition, several board members and companies associated with board members made contributions to the Coalition totaling approximately \$7,600 and \$5,000 during the years ended June 30, 2011 and 2010, respectively.

10. ECONOMIC DEPENDENCY

The Coalition is located in Davis County, Utah and relies heavily on the area and individuals for support. In addition, the Coalition receives significant support from United Way and either directly or indirectly from the State of Utah and Federal governmental agencies. A significant reduction in the level of such support, if this were to occur, may have an adverse effect on the Coalition's activities.

11. RETIREMENT PLAN

The Coalition has a 403(b) retirement plan. All employees who meet certain age and length of service requirements are eligible to participate in the plan. The plan is an employee salary reduction plan that defers taxes on contributions until the date of withdrawal. Participants may elect to contribute up to 20% of their compensation, not to exceed \$16,500 for 2011 and 2010, respectively. The Coalition does not provide matching contributions or discretionary contributions.

Notes to Consolidated Financial Statements – continued

12. SUBSEQUENT EVENTS

- A. In August, 2011, the Coalition received an unrestricted contribution of \$100,000.
- B. In October, 2011, the Coalition received a new foundation grant of \$20,000.
- C. In December, 2011, two fences incurred wind damage with a total estimated repair/replacement cost of \$10,500. All but \$500 is expected to be covered by insurance.
- D. Management has evaluated subsequent events through December 8, 2011, the date which the consolidated financial statements were available to be issued, and has determined there are no additional subsequent events to be reported.

GOVERNMENT AUDITING STANDARDS REPORT

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Davis Citizens' Coalition Against Violence

We have audited the consolidated financial statements of **Davis Citizens' Coalition Against Violence** (a nonprofit organization) and its subsidiary as of and for the year ended June 30, 2011, and have issued our report thereon dated December 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Davis Citizens' Coalition Against Violence's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Davis Citizens' Coalition Against Violence's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Davis Citizens' Coalition Against Violence's** consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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We noted certain matters that we reported to management of **Davis Citizens' Coalition Against Violence** in a separate letter dated December 8, 2011.

This report is intended solely for the information and use of management, the board of directors, the Utah State Auditor, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sorenson, Vorce & Company, P.C.

Salt Lake City, Utah
December 8, 2011

S O R E N S E N V A N C E & C O M P A N Y

CERTIFIED PUBLIC ACCOUNTANTS

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